

FINANCIAL NEWS-NEW YORK AND PHILADELPHIA STOCK QUOTATIONS

RAILROAD SHARES CHANGE HANDS AT LOSSES IN NEW YORK MARKET Drop in Net Earnings and War Tax on Freight Revenue Cause Declines—St. Paul Passes Low Record of 1895

NEW YORK, Oct. 1.—There were indications in the early trading today that the market had been made artificially strong in the industrial issues. Nearly all the speculators in those stocks had buying orders materially above Saturday's final prices, and for a time after the opening there was a strong tone in the steel industries and in many specialties, making many believe that a new upward movement had developed and some outside buying was induced.

United States steel common, on active trading, in the first few minutes moved up 2 points to 11 1/2, and other steel industries made gains ranging from 1 to 3 points with pronounced strength shown in Mexican Petroleum, that stock more than recovering its dividend of 1 1/2 per cent as soon as the market opened. It was not long, however, before liquidation in the railroads and coppers changed the entire speculative situation.

The publication of the New York Central earnings showed its net income cut in half for both the month of August and the eight months ending August 31, and the St. Paul statement for the month of August showed a decrease of more than \$1,000,000 in the net income. The influence of these decreases in net were intensified by the provision in the war revenue bill imposing a tax of 3 per cent on the freight carried by the railroads. A decline in this group naturally resulted, with most of the selling being liquidation of long-time holdings. St. Paul sold below 53, passing its low point of 53 1/2 made in 1895 after it was replaced on the dividend list.

The copper stocks, especially those with low capitalization, also showed pronounced weakness, with the greatest decline in this group sustained in Utah Copper.

While these declines were in progress, Distiller Securities was lifted, without regard to the financial situation or the business outlook of the corporation. Its price was simply marked up 4 points to above 42, indicating that the market for it was held in absolute control and, if any one had been unfortunate enough to put out short lines, that a corner might be sprung on them at any time.

Nearly all the interest in the bond market was concentrated in the trading in the Liberty Loan bonds. Large blocks of these bonds sold in the regular way from 100.04 to 85.58, with a small sale at 110.16 cash. Anglo-French 5s sold off 1/2 to 92 1/2, but other foreign bonds were steady.

Liberty Loan Attracts All Attention The start today of the Liberty Loan campaign places a discount on all other financial endeavor. Every energy of the banker is centered on the one problem of raising \$3,000,000,000 or more for the use of the Government within less than a month's time. The cooperation of the markets for securities was an important factor for success last June. Now the steady shrinkage in prices of all the better grade of stocks and bonds is a handicap that adds to the work of every seller of the new 4s.

Last week saw another long list of "new low records" in railroad stocks of the long-established dividend class and also in 4 and 5 per cent issues of a quality that permits them to be legal for savings banks. The depreciation in a \$50,000 investment in securities distributed among a dozen prime issues would, since last May, exceed an average of 10 per cent. It is apparent that with this contraction in the market value, the holder of such an investment would feel less inclined to buy more bonds than if he had a credit to his account.

The manner in which the new bonds are to be issued suggests that the rates of interest on the loans inevitable in the first half of 1918 will bear a higher rate of interest than that on the loan about to be promulgated. Only two years' coupons are attached to the bonds so that they may be converted within two years into a bond bearing more return for the holder. Secretary McAdoo stated at Atlantic City that it would be necessary to issue \$13,000,000,000 bonds in the year to June 30 next.

Must Raise Interest To bring together this enormous sum the attraction of higher interest will have to be offered. One of the earliest acts of the next Congress will be to make legislation giving authority for the Secretary to borrow at higher than 4 per cent. The certificates of indebtedness last offered to the amount of \$400,000,000 bear 4 per cent interest, and in all probability further issues prior to December 1 will command 4 1/2 and possibly 4 3/4 per cent.

The final draft of the tax bill increases the amount of the taxation on corporations and brings within the dragnet of the tax collector a large number of concerns that were not originally intended to be contributors. On this basis of the revised bill more than \$4,000,000,000 will be levied on American business from the 1917 profits, as well as on incomes. But, if the financial program is as planned, even this sum will have to be enlarged in next winter's legislative program.

Bank clearings were lower last week than a year ago, owing to a falling off in operations in New York and in Chicago. Elsewhere they were 5 to more than 50 per cent above this week in 1916. The price fixing is tending to cause some nervousness still in trades where it is not yet well interpreted.

Labor troubles constitute an unfavorable feature of the situation as any. It is becoming clearer all the time that the Government is fixing the rates of pay as well as those of products, and that while it is allowing higher wages to keep war work going, it is decreasing prices of products in order to quell a rising spirit of socialism and demand for federal interference where costs pinch the consumer. The two policies are antagonistic and will have to be more nearly parallel as the time goes on—in other words, revisions of prices will be upward instead of toward a lower level.

Wonder About Charter Rates The Government's announcement that all ships would be taken over has caused a good deal of speculation in shipping circles regarding charter rates, but large owners say they are not in a position to pass an opinion on the rates as it requires several days to work out an estimate of earnings, each ship being treated separately. There are so many phases to the situation as to make for a good deal of obscurity. For instance, it is contended that no intimation exists as to which ships are to be taken for Government service, or the terms of the individual charter.

Fixing a valuation according to speed also raises the question of whether it is to be based on trial speed, normal speed or speed developed under stress. A steamer arrived in New York a few weeks ago after a voyage in the submarine zone. It was built in Japan in the early part of this year and the guaranteed trial trip speed was ten knots. In the war zone a submarine gave chase and the ship was able to develop fifteen knots.

A most important feature, however, will be the retention of the organization. Big steamship companies such as the International Mercantile Marine, Atlantic Gulf and West Indies and W. B. Grace & Co. have numerous agencies along the coast of North and South America and it is eagerly awaited in what way the Government will provide for these agencies, which are the growth of many years, or whether it will be necessary to disband them.

Stockholders of railroads operating along the seaboard and southwest are giving more than passing attention to Government acts in the shipping line, as many of them will be benefited, particularly those along the coast, which have met sharp competition from coastwise steamships. The Government's primary purpose is to put the boats on the transatlantic routes, forcing railroads to carry the cargoes these ships formerly brought from southern ports to points north.

Comparative Figures on Gold In a review of the trade balance settlements, it is shown what small effect the gold movement had on imports of bullion in normal periods and how large a part of our exports is subject to other setoffs in times of peace. In the four years to June 30, 1914, the United States exported commodities valued at \$2,082,000,000 against imports of \$3,886,000,000 in that pre-war period, earning a balance of \$1,804,000,000, or a sum twice the amount of our national debt.

Exports of gold in the same period amounted to \$269,000,000 and imports \$284,000,000. There was shipped out \$11,900,000 more specie than was received. Adding this to the commercial balance, the normal credit at the end of the four years was \$2,307,000,000.

These were years of low interest rates for call and time money, commercial paper, etc. Foreign drafts were cheap and American capital was going to Canada and South America. In the three years ending in June of this year commercial trade balances in favor of the United States aggregated \$6,834,000,000, and at the same time there was rapid accumulation of gold import balances, which at the last date amounted for the three years to \$1,114,957, and gold imports aggregating \$1,642,000,000, the largest short movement recorded of specie toward a single country.

CLOSING LIVE STOCK PRICES CHICAGO, Oct. 1.—HOGS—Receipts, 23,000 head. Market steady. Estimated tomorrow, 18,000 head. Market steady. Heavy, \$12.10; light, \$11.80; mixed, \$11.90; 10 to 12 lbs. heavy, \$11.20; 10 to 12 lbs. mixed, \$11.20; 10 to 12 lbs. light, \$11.20.

New York Stock Sales

Table with columns: Stock Name, High, Low, Close, Net Change. Includes Alaska Juneau, Am Can, Alton, Am Chambers, Am Coal, Am Int Corp, A Hide & Leather, Am Locomotive, Am Lumber, Am Mfg, Am Smelting, Am Steel, Am Sugar, Am Tel & Tel, Am Tobacco, etc.

Sales in Philadelphia

Table with columns: Stock Name, High, Low, Close, Net Change. Includes 22 Am Gas, 10 Am Rys, 100 Am Rys, Con Tr N J, 10 C M & S P, etc.

LIBERTY BONDS ATTRACT NEARLY ALL ATTENTION ON LOCAL EXCHANGE

Government 3 1/2s Find a Ready Market and Sell at Higher Prices—Rapid Transit Certificates Inactive, but a Little Higher

The Government's 3 1/2 per cent Liberty Bonds continued to attract the most attention in dealings on the Philadelphia Stock Exchange today, and outside of trading in Steel common, stocks were generally inactive and the price changes were unimportant. The Liberty Bonds came out in large quantities and the price advanced to par, a trifle above the closing quotation Saturday. Around \$100,000 worth of the 3 1/2s had changed hands up to mid-afternoon.

Although Steel was the most active of the stocks, it was not dealt in in large quantities, but the price advanced. At one time during the forenoon, following the strength of that issue in New York, it advanced nearly 2 points, to 11 1/2. And for the remainder of the session sales were made at prices giving a profit of more than a point.

The hammering of rails in Wall Street did not seem to have much influence in the local market on the railroad shares usually dealt in here, although losses were recorded by some of the others. Buffalo and Susquehanna advanced half a point, and the same gain was made by Pennsylvania, while Reading was up a quarter. Lehigh Valley lost nearly a point and Chicago, Milwaukee and St. Paul declined more than 2 points.

Rapid Transit certificates were only dealt in lightly, but made a gain of a quarter. Philadelphia Traction was unchanged and Union Traction lost 1/4. Electric Storage Battery, Philadelphia Electric and United Gas Improvement and Tompkins Belmont were unchanged. Philadelphia Company cumulative preferred sold ex dividend at 34 1/4, the same as last previous transaction.

The statement of the Tompkins Belmont Development and Belmont Milling Company for the three months ended August 31 shows a substantial increase in net earnings. For the quarter ending August 31, 1917, the net earnings totaled \$214,476 as against \$238,634 the previous quarter and \$207,133 during the corresponding quarter of last year. The net income for the last three months was \$231,812, as compared with \$246,567 the previous quarter and \$314,411 for the same quarter in 1916.

Traders Inclined to Await Ginner's and Official Condition Reports, Due Tomorrow The inclination was to look for active trading, and, for that reason, the market after the open, sagged off, and at the end of fifteen minutes was off to within 2 points of Saturday's close.

Norman Mayer & Co. issued a condition report of 63, a decline of 4.8 points under last week. Cotton receipts at the ports for the day are estimated at 30,900 bales, compared with 28,994 bales a week ago and 50,802 bales a year ago.

The Journal of Commerce places the condition of cotton at 64.5, against 65.5 5 months ago and 59.6 a year ago. Saturday's 11.30 12.00 1.30 2.00 2.30 3.00 3.30 4.00 4.30 5.00 5.30 6.00 6.30 7.00 7.30 8.00 8.30 9.00 9.30 10.00 10.30 11.00 11.30 12.00

PHILADELPHIA BANK STATEMENT Also Shows Gains in Deposits The average condition of members of the Philadelphia Clearing House Association for the week preceding Monday, October 1, 1917, is shown in the weekly statement, with comparisons, as follows:

PHILADELPHIA—Call, 5 per cent; time, 5 1/2 per cent. Commercial paper, three to four months, 5 1/2 to 6 per cent; six months, 5 1/2 to 6 1/2 per cent.

FOREIGN EXCHANGE NEW YORK, Oct. 1.—The foreign exchange market was dull and not particularly interesting in the early dealings, with the exception of weakness in rubles and a slight improvement in Italian exchange. The weakness in rubles was due to the general understanding of the enormous difficulties in the political situation in Russia.

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THE NAVY WILL TAKE THE ARMY OVER THERE! THE ARMY WILL TAKE THE TRENCHES OVER THERE! YOU WILL TAKE THE LIBERTY LOAN OVER HERE! NEILLY, BROOK & COMPANY

FOUNDED 1865 The Provident Life and Trust Company of Philadelphia Insure in the Provident and assure your own peace of mind, your family's welfare and your children's future.

FOURTH AND CHESTNUT STREETS The New War Tax Law The new law analyzed and reduced to a convenient reference. We have in press now and ready for final revision. 1—The New War Tax Bill annotated and indexed. 2—Revised income tax chart. Law is conveniently at reference.

The National City Company 1421 Chestnut St., Philadelphia. New York Chicago San Francisco Boston

THIS WEEK'S MARKET FORECAST Trade of more stocks than any we have ever issued before. Stocks Coppers Railroads Industrials Sent free on request HUGHES & DIER

HECKER & CO. BANKERS AND BROKERS 50 & CHESTNUT STS., N. E. Cor. Members of Phila. Stock Exchange

Calumet & Jerome The latest information regarding the reported strike of copper ore, which may make Calumet & Jerome the third big mine of the famous Vindicator Camp. Send for Analytical Report 161-T.U. JONES & BAKER

INACTIVE PHILA. STOCKS

Following are quotations for inactive stocks listed on the Philadelphia Stock Exchange in which there were no transactions yesterday. The price given is the last previous sale: Alliance Ins. 20 1/2 Little Schuylkill 21 1/2 Amer. Mill. 20 1/2 North Cent. 20 1/2 Amer. Stores 20 1/2 Penna. 20 1/2

New York Bond Sales

Table with columns: Bond Name, High, Low, 3 p.m. Includes \$27000 Anglo-French 5s, 5000 Amer. For. Sel. 5s, 10000 Amer. For. Sel. 5s, etc.

INACTIVE NEW YORK STOCKS

Table with columns: Stock Name, High, Low, Close, Net Change. Includes Adams Express, Advance Hum, Am. Sugar, Am. Tobacco, etc.

RAILROAD EARNINGS

Table with columns: Railroad Name, Line East, August Oper. Revenue, August Oper. Income, etc. Includes Pennsylvania System, Chesapeake and Ohio, etc.

LOCAL MINING STOCKS

Table with columns: Stock Name, Bid, Ask. Includes Jim Butler, MacNamara, Midway, etc.

MISCELLANEOUS

Table with columns: Stock Name, Bid, Ask. Includes Nevada Wonder, Arizona United, Teocopa Mining, etc.

ANNUAL MEETINGS

THE NEW YORK, NEW HAVEN AND HARTFORD RAILROAD COMPANY Notice is hereby given that the Annual Meeting of the Stockholders of The New York, New Haven and Hartford Railroad Company will be held in Harmonie Hall, No. 9 Elm Street, in the City of New Haven, Connecticut, at 10 o'clock, on the 24th day of October, 1917, at 12:00 o'clock noon, for the following purposes:

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

Notice is hereby given that a Special Meeting of the Stockholders of The New York, New Haven and Hartford Railroad Company will be held in Harmonie Hall, No. 9 Elm Street, in the City of New Haven, Connecticut, at 10 o'clock in the afternoon of the twenty-fourth day of October, 1917, at 12:00 o'clock noon, for the following purposes:

PARTNERSHIPS

MR. JOHN H. PACKARD, JR. and Mr. EDWARD J. PACKARD have this day retired from partnership in the firm, HERBERT & PACKARD, October 1, 1917.

North, Indiana Gas & Elec. Co.

6% Preferred Stock REED A. MORGAN & CO. Members of the N.Y. Stock Exchange

PARTNERSHIP NOTICE

WE BEG TO ANNOUNCE THAT MR. GEORGE F. TYLER HAS THIS DAY WITHDRAWN FROM OUR FIRM AS A SPECIAL PARTNER AND THE FIRM'S BUSINESS HERETOFORE CONDUCTED AS MONTGOMERY, CLOTHIER & TYLER WILL BE CONTINUED BY THE UNDERSIGNED UNDER THE FIRM NAME OF MONTGOMERY & CO.

PARIS RESUMES SATURDAY SESSIONS

PARIS, Oct. 1.—Beginning with October 6 Saturday sessions of the Bourse will be resumed. Trading will be held on Wednesday, Friday and Saturday.

WARR NEWS HELPS TONE, BUT BUSINESS REMAINS QUIET

LONDON, Oct. 1.—Major General Massey's report of the successful operations of the British forces in Mesopotamia helped the undertone of the Stock Exchange markets today. Hesitation was in evidence, however, and business remained quiet.

GOVERNMENT BONDS

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RAILROAD SHARES CHANGE HANDS AT LOSSES IN NEW YORK MARKET

Drop in Net Earnings and War Tax on Freight Revenue Cause Declines—St. Paul Passes Low Record of 1895